

**AFFORDABLE HOUSING ADVISORY
COMMITTEE**

Report on
Implementation
Strategies
December 2004

BARRIERS TO PRODUCTION OF AFFORDABLE HOUSING

- Who should bear the cost?
- Insufficient resources
- Question of market demand
 - What do purchasers want?
 - Do preferable alternatives exist in other jurisdictions?

QUESTIONS

- Balancing predictability and flexibility
- How to keep units affordable long-term
- Can the existing density bonus be revised for better effectiveness?
- How would a partnership work?
- Is focus on production the right thing or should we focus on assisting families?

5 STRATEGIES

- Regulatory and administrative functions
- Set specific targets (15% or comparable contribution)
- Instruments to ensure affordability
- Partnerships/alliances
- Resources

STRATEGY 1

- Tracking/monitoring of housing data to assess demand/gaps
- Reconsider density bonus provision
- Eliminate barriers/provide procedural incentives for applicants complying with County goals/policies

STRATEGY 2

- Identify proxies for the 15% goal
- Allow a phased-in approach
- Establish a simple, understandable and calculable “in-lieu” system
- Establish policy(ies) based on development size

STRATEGY 3

- Create Housing Trust Fund with dedicated revenue source
- Connect cash proffers to Housing Trust Fund

STRATEGY 4

- Promote a Community Development Financial Institution (CDFI)
- Review models from other jurisdictions
 - Public/private partnerships
 - For profit/nonprofit partnerships

STRATEGY 5

- Dedication of funding for Housing Trust Fund
 - Property tax
 - Other tax
 - Leverage other resources
 - Foundations
 - State/federal grants

CRITICAL COMPONENTS

- Have prequalified buyers with financing
- Create Housing Trust Fund with dedicated resources
- Develop predictable process for calculating cash proffers/other contributions
- Maintain continued affordability

RECOMMENDATIONS - Immediate

- Formalize a process for discussing affordable housing for all residential rezonings and special use permits
- Expand housing counseling options
- Seek SPARC funds from VHDA
- Implement Homebuyer Assistance Program

RECOMMENDATIONS – 6 months

- Consolidate all resources into Housing Trust Fund
- Promote the separation of CDFI functions/staff/Board and PHA development functions/staff/Board
- Complete work on options, processes, and policies for submitting/accepting proffers for affordable housing

OPTIONS/PROCESSES

- Density Bonus
- Eliminate Barriers/Provide Procedural Incentives
- Identify Proxies/"In-lieu Contributions
- Connecting Cash Proffers to Housing Trust Fund

ADDITIONAL WORK NEEDED

- Tracking/monitoring system
 - Proffers
 - Building permits
 - Sales
 - Gaps in market
- Identifying/documenting demand

FUNDING

- Explore possible sources) of dedicated funding for Housing Trust Fund for 2006/07 Budget
- Explore use of tax credits or other tax incentives to promote affordable housing